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C&I TENNCARE

QUARTERLY STATEMENT

OF THE

UAHC HEALTH PLAN OF TENNESSEE

of **MEMPHIS**
in the state of **TENNESSEE**

TO THE

Insurance Department

OF THE

STATE OF

TENNESSEE

FOR THE QUARTER ENDED

March 31, 2008

HEALTH

2008

HEALTH QUARTERLY STATEMENT



AS OF MARCH 31, 2008
OF THE CONDITION AND AFFAIRS OF THE

UAHC Health Plan of Tennessee Inc

NAIC Group Code	0000	NAIC Company Code		Employer's ID Number	62-1547197
	(Current Period)		(Prior Period)		
Organized under the Laws of				State of Domicile or Port of Entry	TN
Country of Domicile					
Licensed as business type:	Life, Accident & Health <input type="checkbox"/> Property/Casualty <input type="checkbox"/> Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/> Dental Service Corporation <input type="checkbox"/> Vision Service Corporation <input type="checkbox"/> Health Maintenance Organization <input type="checkbox"/> Other <input checked="" type="checkbox"/> Is HMO Federally Qualified? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Incorporated/Organized:	October 6, 1993		Commenced Business: January 3, 1994		
Statutory Home Office:	1769 Paragon Suite 100		Memphis, TN 38132		
	(Street and Number)		(City or Town, State and Zip Code)		
Main Administrative Office:	1769 Paragon Suite 100				
	(Street and Number)				
	Memphis, TN 38132		901-348-2201		
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)		
Mail Address:	1769 Paragon Suite 100		Memphis, TN 38132		
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)		
Primary Location of Books and Records:	1769 Paragon Suite 100				
	(Street and Number)				
	Memphis, TN 38132		901-348-2201		
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)		
Internet Website Address:	N/A				
Statutory Statement Contact:	Stephen Harris		000-000-0000-		
	(Name)		(Area Code) (Telephone Number) (Extension)		
	sharris@uahc.com		901-348-2212		
	(E-Mail Address)		(Fax Number)		

OFFICERS

	Name	Title
1.	Stephanie Dowell	Chief Executive Officer
2.	Stephen Harris	Chief Financial Officer
3.		

VICE-PRESIDENTS

Name	Title	Name	Title
Myla Johnson	Vice-President Medical Services	Stacy Hill	Vice-President MIS

DIRECTORS OR TRUSTEES

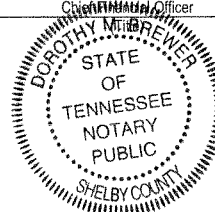
Stephanie Dowell	Stephen Harris	Tom Goss	Samuel King
Grover Barnes M.D.	Kingsley Oraedu M.D.	Griselle Figueredo M.D.	Lloyd Robinson
Logan Miller M.D.	Neal Beckford M.D.	Stan Sawyer	William Brooks
	Ricky Wilkins		

State of TENNESSEE
County of SHELBY ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Stephanie Dowell	Stephen Harris	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	Chief Financial Officer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
14th day of MAY, 2008



a. Is this an original filing? ☒ Yes ☐ No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

MY COMMISSION EXPIRES:
December 7 2011

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,662,012		9,662,012	9,607,094
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 6,115,016), cash equivalents (\$), and short-term investments (\$ 2,825,709)	8,940,725		8,940,725	8,733,394
6. Contract loans (including \$ premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	18,602,737		18,602,737	18,340,488
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	362,799		362,799	368,683
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,129,437		1,129,437	1,064,529
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	19,819		19,819	
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	1,051,298	797,536	253,762	271,990
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 105,880) and other amounts receivable	105,880	46,967	58,913	326,642
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	21,271,970	844,503	20,427,467	20,372,332
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	21,271,970	844,503	20,427,467	20,372,332

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	2,438,482		2,438,482	2,262,908
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				59,000
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	253,041		253,041	160,110
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	1,078,692		1,078,692	1,323,996
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ current)	1,897,782		1,897,782	1,950,044
22. Total liabilities (Lines 1 to 21)	5,667,997		5,667,997	5,756,058
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	200,000	200,000
25. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	2,009,470	1,866,274
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	X X X	X X X		
30.2 shares preferred (value included in Line 25 \$)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	14,759,470	14,616,274
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	20,427,467	20,372,332

DETAILS OF WRITE-IN LINES				
2101. PREMIUM TAX PAYABLE	1,129,437		1,129,437	1,064,529
2102. A/P - OTHER	4,984		4,984	42,253
2103. MEDICARE LIS (OVER/UNDER)	552,591		552,591	423,909
2198. Summary of remaining write-ins for Line 21 from overflow page	210,770		210,770	419,353
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,897,782		1,897,782	1,950,044
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	311,509	324,521	1,275,167
2. Net premium income (including \$ non-health premium income)	X X X	2,899,889	372,085	5,710,555
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X	1,438,205		781,803
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	4,338,094	372,085	6,492,358
Hospital and Medical:				
9. Hospital/medical benefits		1,248,798	(28,026)	909,245
10. Other professional services		536,092	202,471	900,458
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs		521,800	81,979	1,154,596
14. Aggregate write-ins for other hospital and medical		230,270		2,233,387
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		2,536,960	256,424	5,197,686
Less:				
17. Net reinsurance recoveries		19,819	12,500	
18. Total hospital and medical (Lines 16 minus 17)		2,517,141	243,924	5,197,686
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 78,919 cost containment expenses		177,423	97,654	670,691
21. General administrative expenses		1,714,773	(487,186)	(876,450)
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		4,409,337	(145,608)	4,991,927
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(71,243)	517,693	1,500,431
25. Net investment income earned		213,841	176,851	795,631
26. Net realized capital gains (losses) less capital gains tax of \$				
27. Net investment gains (losses) (Lines 25 plus 26)		213,841	176,851	795,631
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]				
29. Aggregate write-ins for other income or expenses				(1,497,816)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	142,598	694,544	798,246
31. Federal and foreign income taxes incurred	X X X	302,245	199,082	977,389
32. Net income (loss) (Lines 30 minus 31)	X X X	(159,647)	495,462	(179,143)

DETAILS OF WRITE-IN LINES				
0601. TENNCARE SHARED RISK REVENUE	X X X	1,438,205		781,803
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X	1,438,205		781,803
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401. MEDICARE ACCRUAL		230,270		2,233,387
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		230,270		2,233,387
2901. CLAIMS AUDIT / AMENDMENT 3				(1,497,816)
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				(1,497,816)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	14,616,274	11,699,216	11,699,216
34. Net income or (loss) from Line 32	(159,647)	495,462	(179,143)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	7,082	(78,970)	122,442
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	253,762		797,536
39. Change in nonadmitted assets	41,999	(31,920)	2,176,223
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	143,196	384,572	2,917,058
49. Capital and surplus end of reporting period (Line 33 plus 48)	14,759,470	12,083,788	14,616,274

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2
Cash from Operations	Current Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	2,834,981	5,802,224
2. Net investment income	212,643	829,695
3. Miscellaneous income	1,438,205	775,411
4. Total (Lines 1 to 3)	4,485,829	7,407,330
5. Benefit and loss related payments	2,361,386	2,970,691
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,858,265	1,247,730
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(249,987)	23,044
10. Total (Lines 5 through 9)	3,969,664	4,241,465
11. Net cash from operations (Line 4 minus Line 10)	516,165	3,165,865
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,170,000	
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		3,019,791
12.8 Total investment proceeds (Lines 12.1 to 12.7)	6,170,000	3,019,791
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,271,668	
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	59,028	
13.7 Total investments acquired (Lines 13.1 to 13.6)	6,330,696	
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(160,696)	3,019,791
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	(210,770)	
16.6 Other cash provided (applied)	(358,908)	724,751
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(148,138)	724,751
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	207,331	6,910,407
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,733,394	1,822,987
19.2 End of period (Line 18 plus Line 19.1)	8,940,725	8,733,394

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		

REPORT #2A TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSE
Statement as of March 31, 2008 of UAHC Health Plan of Tennessee, Inc

		Current Period	Current Year to Date	Prior Calendar Year
	MEMBER MONTHS	311,509	311,509	1,270,122
	REVENUES:			
1	TennCare Capitation	54,189,809	54,189,809	206,313,119
2	Investment	213,841	213,841	795,631
3	Other Revenue (Provide detail)	33,196,574	33,196,574	45,859,299
4	TOTAL REVENUES (Lines 1 to 3)	87,600,224	87,600,224	252,968,048
	EXPENSES:			
	Medical and Hospital Services			
5	Capitated Physician Services	1,679,494	1,679,494	6,508,229
6	Fee-for-Service Physician Services	4,721,717	4,721,717	20,686,600
7	Inpatient Hospital Services	11,515,846	11,515,846	46,653,148
8	Outpatient Services	18,776,445	18,776,445	69,863,890
9	Emergency Room Services	6,562,294	6,562,294	22,447,200
10	Mental Health Services	-	-	-
11	Dental Services	-	-	-
12	Vision Services	359,142	359,142	1,587,685
13	Pharmacy Services	-	-	-
14	Home Health Services	398,247	398,247	1,604,105
15	Chiropractic Services	-	-	-
16	Radiology Services	993,738	993,738	4,126,065
17	Laboratory Services	439,551	439,551	2,399,071
18	Durable Medical Equipment Services	477,988	477,988	2,321,147
19	Transportation Services	1,792,981	1,792,981	6,761,813
20	Outside Referrals	-	-	-
21	Medical Incentive Pool and Withhold Adjustments	-	-	-
22	Occupancy, Depreciation, and Amortization	-	-	-
23	Other Medical and Hospital Services (Provide detail)	32,060,373	32,060,373	47,156,191
24	Subtotal (Lines 5 to 23)	79,777,816	79,777,816	232,115,143
25	Reinsurance Expenses Net of Recoveries	-	-	-
	LESS:			
26	Copayments	-	-	-
27	Subrogation	-	-	-
28	Coordination of Benefits	(706,959)	(706,959)	(1,007,776)
29	Subtotal (Lines 26 to 28)	(706,959)	(706,959)	(1,007,776)
30	TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	79,070,857	79,070,857	231,107,367
	Administration:			
31	Compensation	1,299,430	1,299,430	4,857,074
32	Marketing	-	-	-
33	Interest Expense	-	-	-
34	Premium Tax Expense	1,178,669	1,178,669	4,520,716
35	Occupancy, Depreciation and Amortization	59,219	59,219	247,060
36	Other Administration (Provide detail)	4,079,944	4,079,944	9,922,967
37	TOTAL ADMINISTRATION (Lines 31 thru 36)	6,617,262	6,617,262	19,547,816
38	TOTAL EXPENSES (Lines 30 and 37)	85,688,119	85,688,119	250,655,183
39	NET INCOME (LOSS) (Line 4 less 38)	1,912,106	1,912,106	2,312,865

REPORT #2A TENNCARE OPERATION STATEMENT OF REVENUE AND EXPENSE
Statement as of March 31, 2008 of UAHC Health Plan of Tennessee, Inc

<u>Line 3 - Other Revenue</u>	Current Period	Current Year to Date	Prior Year
41 Administrative Fee Revenue from State	3,611,609	3,611,609	14,968,111
42 Revenue from State for Premium Tax	1,113,761	1,113,761	4,612,385
43 Miscellaneous Revenue	-	-	-
44 Shared Risk Revenue	1,438,205	1,438,205	781,802
45 Pharmacy Rebates	-	-	-
46 IBNR	27,033,000	27,033,000	25,497,000
Total	33,196,574	33,196,574	45,859,299

<u>Line 23 - Other Medical and Hospital Services</u>			
47 Other Referral/Specialist Services	5,027,373	5,027,373	21,659,191
48 Other	-	-	-
49 Physical Therapy	-	-	-
50 IBNR	27,033,000	27,033,000	25,497,000
Total	32,060,373	32,060,373	47,156,191

<u>Line 36 - Other Administration</u>			
51 Accounting Services	22,500.00	22,500.00	90,423.75
52 Legal Services	28,944.68	28,944.68	11,757.74
53 Professional Services	1,200,000.70	1,200,000.70	4,350,592.65
54 Board of Directors' Meetings	11,300.61	11,300.61	48,120.51
55 Outreach/Member Services	78,277.28	78,277.28	230,166
56 Bank Charges	9,337.83	9,337.83	27,729.28
57 Administrative Expenses	2,451,623.96	2,451,623.96	2,718,194.31
58 Consumables	62,793.93	62,793.93	420,477.94
59 Travel & Entertainment	37,067.41	37,067.41	150,683.80
60 Other Administrative Expenses	9,226.39	9,226.39	1,497,816
61 Provision for Income Taxes	302,245.20	302,245.20	977,388.67
62 Provision for Income Taxes of Mgmt Company	-	-	-
63 Deferred Income Tax	(253,761.75)	(253,761.75)	(797,536)
64 Other Professional Services	120,387.71	120,387.71	197,152
Total	4,079,943.95	4,079,943.95	9,922,966.59

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	106,005							816	105,189	
2. First Quarter	102,107							787	101,320	
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	311,509							2,355	309,154	
Total Member Ambulatory Encounters for Period:										
7. Physician	135,210							1,526	133,584	
8. Non-Physician	19,102							132	18,970	
9. Totals	154,312							1,758	152,554	
10. Hospital Patient Days Incurred	32,208							446	31,762	
11. Number of Inpatient Admissions	1,409							14	1,395	
12. Health Premiums Written (a)	2,899,899							2,899,899		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	2,899,899							2,899,899		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	2,306,392							2,306,392		
18. Amount Incurred for Provision of Health Care Services	2,536,960							2,536,960		

(a) For health premiums written; amount of Medicare Title XVII exempt from state taxes or fees \$ 2,899,899

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
0199999 Individually listed claims unpaid						
0299999 Aggregate accounts not individually listed - uncovered						
0399999 Aggregate accounts not individually listed - covered	21,133	145,570	38,392	144,112	2,089,275	2,438,482
0499999 Subtotals	21,133	145,570	38,392	144,112	2,089,275	2,438,482
0599999 Unreported claims and other claim reserves						
0699999 Total amounts withheld						
0799999 Total claims unpaid						2,438,482
0899999 Accrued medical incentive pool and bonus amounts						

UNDERWRITING AND INVESTMENT EXHIBIT **ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	1,332,607	410,174	1,433,414	1,005,068	2,766,021	2,262,908
7. Title XIX - Medicaid		(1,741)				
8. Other Health						
9. Health subtotal (Lines 1 to 8)	1,332,607	408,433	1,433,414	1,005,068	2,766,021	2,262,908
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	1,332,607	408,433	1,433,414	1,005,068	2,766,021	2,262,908

(a) Excludes \$ loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of UAHC Health Plan of Tennessee, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

None

6. Joint Ventures, Partnerships and limited Liability Companies

None

7. Investment Income

None

8. Derivative Instruments

None

9. Income Tax

None

10. Information Concerning Parent, Subsidiaries and Affiliates

None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post employment benefits and Compensated Absences and other Postretirement Benefit Plans

None

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations.

None

14. Contingencies

None

15. Leases

No Change

16. Off Balance Sheet Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments Of Liabilities.**C. Wash Sales**

None

18. Gain or loss to the company from Uninsured A&H Plans and Uninsured Portion of Of Partially Insured Plans

None

19. Direct Premium Written/Produced by managing general agents/third party Administrators.

None

20. Other Items

None

21. Events Subsequent

On April 22, 2008, the Department of Finance and Administration of the State of Tennessee, Bureau of TennCare ("TennCare"), disclosed its decision to award new TennCare contracts to two named organizations, not including UAHC-TN as the culmination of TennCare's selection process pursuant to its Request for Proposals for managed care services to be provided in the West Grand Region of Tennessee. Consequently, UAHC-TN's TennCare members are expected to transfer to other managed care organizations on November 1, 2008, after which UAHC-TN will perform its remaining contractual obligations through its TennCare contract expiration date (which it expects will be extended to June 30, 2009).

22. Reinsurance

No change

23. Retrospectively Rated Contracts

None

24. Organization and Operations

NOTES TO FINANCIAL STATEMENTS

None

25. **Salvage and Subrogation**

None

26. **Change in Incurred claims and Claim adjustment Expense**

None

27. **Minimum Net Worth**

No Change

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 – COMMON INTERROGATORIES**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y – Part 1 – organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____
- 6.4 By what department or departments?

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes ☒ No ☐

- 9.11 If the response to 9.1 is No, please explain:
-
-

- 9.2 Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
-
-

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ☐ No ☒

- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
-
-

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☐ No ☒

- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ _____

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒

- 11.2 If yes, give full and complete information relating thereto:
-
-

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ _____

13. Amount of real estate and mortgages held in short-term investments:

\$ _____

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒

- 14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes ☐ No ☒

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☒ No ☐

GENERAL INTERROGATORIES (Continued)

- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
REGIONS MORGAN KEEGAN	ONE BURTON HILLS BOULEVARD, SUITE 225 NASHVILLE, T

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

- 16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

- 17.2 If no, list exceptions:

.....

.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

[illegible]

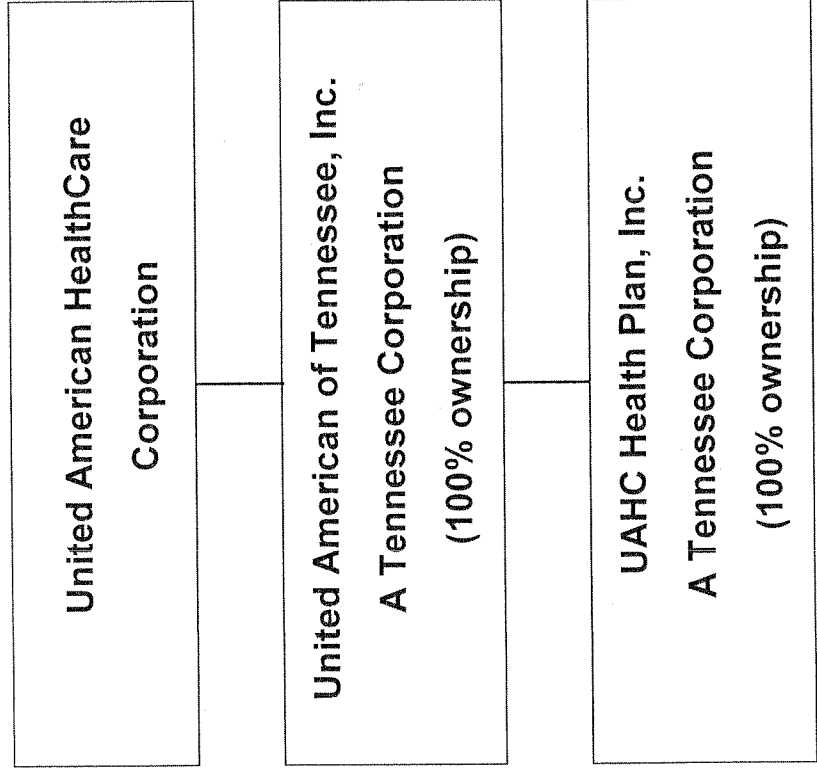
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	L	2,899,889					2,899,889	
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	X X X							
59. Subtotal	X X X		2,899,889					2,899,889	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Totals (Direct Business)	(a) 1		2,899,889					2,899,889	

DETAILS OF WRITE-INS									
5801		X X X							
5802		X X X							
5803		X X X							
5898	Summary of remaining write-ins for Line 58	X X X							
5899	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X							

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Bar Code:



0200836500001

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
REMAINING WRITE-INS AGGREGATED AT LINE 21 FOR OTHER LIABILITIES				
2104. DUE TO/(FROM) STATE/MEDICAL	210,770		210,770	419,353
2105.				
2106.				
2107.				
2108.				
2109.				
2110.				
2111.				
2112.				
2113.				
2114.				
2115.				
2116.				
2117.				
2118.				
2119.				
2120.				
2121.				
2122.				
2123.				
2124.				
2125.				
2197. Totals (Lines 2104 through 2125) (Page 3, Line 2198)	210,770		210,770	419,353

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted accounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	9,607,095	7,445,153
2. Cost of bonds and stocks acquired	6,271,667	2,033,955
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	7,082	127,987
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	6,223,831	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	9,662,013	9,607,095
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,662,013	9,607,095

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	9,607,094			54,917	9,662,011			9,607,094
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	9,607,094			54,917	9,662,011			9,607,094
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	9,607,094			54,917	9,662,011			9,607,094
15. Total Bonds & Preferred Stock	9,607,094			54,917	9,662,011			9,607,094

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	2,825,709	X X X	2,825,709		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,825,709	
2. Cost of short-term investments acquired	1,000,000	1,825,709
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,825,709	1,825,709
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,825,709	1,825,709

NONE

Schedule DB - Part F - Section 1

Statement as of March 31, 2008 of the UAH Health Plan of Tennessee Inc

SCHEDULE DB - PART F - SECTION 2
Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value										
4. Less: Closed or Disposed of Transactions	X X X		X X X		X X X		X X X		X X X	
5. Less: Positions Disposed of for Falling Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	X X X		X X X		X X X		X X X		X X X	
7. Ending Inventory										

NONE	Schedule E Verification
NONE	Schedule A - Part 2 and 3
NONE	Schedule B - Part 2 and 3
NONE	Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
0									
3133XP-BG-8	BOND		01/30/2008	FEDERAL HOME LOAN BANK		915,000	915,000.00	5,352	
3133XN-YD-5	BOND		01/18/2008	FEDERAL HOME LOAN BANK		1,000,000	1,000,000.00	8,438	
3138F8-N8-5	BOND		01/28/2008	FANNIE MAE		1,405,000	1,405,000.00	8,609	
3133XP-FC-3	BOND		02/04/2008	FEDERAL HOME LOAN BANK		100,000	100,000.00	506	
31398A-NC-2	BOND		02/14/2008	FEDERAL NATIONAL MORTGAGE		988,438	1,000,000.00	3,998	
3133XP-E2-5	BOND		02/04/2008	FEDERAL HOME LOAN BANK		450,000	450,000.00	2,465	
31331Y-GM-6	BOND		03/11/2008	FEDERAL FARM CREDIT BANK		203,230	200,000.00	558	
3133XC-DM-1	BOND		03/24/2008	FEDERAL HOME LOAN BANK		200,000	200,000.00	119	
31331Y-YR-5	BOND		03/31/2008	FEDERAL FARM CREDIT BANK		1,000,000	1,000,000.00		
0399999	Total Bonds U. S. Government				X X X	6,271,668	6,270,000.00	30,045	X X X
6099997	Total Bonds Part 3				X X X	6,271,668	6,270,000.00	30,045	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	6,271,668	6,270,000.00	30,045	X X X
7499999	Totals				X X X	6,271,668	X X X	30,045	X X X

(a) For all common stock bearing the NAIC market indicator 'U' provide the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Design- ation or Market Indicator (a)	
0		0																				0
3133ML-WA-9	FEDERAL HOME LOAN BANK - BOND		01/24/2008	FEDERAL HOME LOAN		1,405,000	1,405,000.00	1,405,757	1,404,129	2,628			2,628		1,404,129						01/24/2008	1
3136FE-TV-1	FANNIE MAE - BOND		01/18/2008	FANNIE MAE		1,000,000	1,000,000.00	993,125	999,690	6,565			6,565		999,690						01/18/2008	1
3133MY-JE-4	FEDERAL HOME LOAN BANK - BOND		01/29/2008	FEDERAL HOME LOAN		915,000	915,000.00	913,856	915,000	1,144			1,144		915,000						04/01/2010	1
3133ZFQZ	FEDERAL HOME LOAN MORTGAGE -		01/31/2008	FEDERAL HOME LOAN		400,000	400,000.00	395,813	399,748	3,935			3,935		399,748						01/15/2010	1
3133XA-PP-0	FEDERAL HOME LOAN BANK - BOND		01/31/2008	FEDERAL HOME LOAN		50,000	50,000.00	49,531	50,000	469			469		50,000						03/02/2009	1
31331Q-JH-1	FEDERAL FARM CREDIT BANK - BOND		02/01/2008	FEDERAL FARM CRED		1,000,000	1,000,000.00	992,198	1,000,000	8,281			8,281		1,000,000						11/18/2009	1
31339X-MG-5	FEDERAL HOME LOAN BANK - BOND		03/31/2008	FEDERAL HOME LOAN		1,000,000	1,000,000.00	973,438	993,750	20,312			20,312		993,750						04/28/2009	1
3133X5-YC-6	FEDERAL HOME LOAN BANK - BOND		02/11/2008	FEDERAL HOME LOAN		200,000	200,000.00	198,500	198,938	1,500			1,500		200,000						10/15/2008	1
3128X2-L2-9	FREDDIE MAC - BOND		03/17/2008	FREDDIE MAC		200,000	200,000.00	201,875	199,980	1,895			1,895		199,980						03/15/2010	1
0																					01/18/2008	1
0399999	Total - Bonds - U.S. Governments				XXX	6,170,000	6,170,000.00	6,125,083	6,161,235	46,729			46,729		6,162,297						XXX	XXX
6099997	Total - Bonds - Part 4				XXX	6,170,000	6,170,000.00	6,125,083	6,161,235	46,729			46,729		6,162,297						XXX	XXX
6099998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6099999	Total Bonds				XXX	6,170,000	6,170,000.00	6,125,083	6,161,235	46,729			46,729		6,162,297						XXX	XXX
7499999	Totals					6,170,000	XXX	6,125,083	6,161,235	46,729			46,729		6,162,297						XXX	XXX

NONE **Schedule DB - Part A and B - Section 1**

NONE **Schedule DB - Part C and D - Section 1**

NONE Schedule E - Part 2

E 1 0

EXHIBIT 3 - HEALTH CARE RECEIVABLES

[illegible]

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]